



State of Wisconsin  
**Department of Health and Family Services**

Jim Doyle, Governor  
Helene Nelson, Secretary

### Personal Needs Allowance

	FY 04		FY 05	
	GPR	All Funds	GPR	All Funds
MA Expenditures	\$ (1,712,400)	\$ (4,117,800)	\$ (1,712,400)	\$ (4,117,300)

### Description of Proposal

- Reduce the amount of income that can be retained for personal needs by a MA nursing home resident to \$30 per month from the current \$45 level.

### Background

- Nursing home residents whose costs are paid under Medicaid (MA) must contribute to the cost of their care. However, under federal MA law, residents must be allowed to keep a minimum of \$30 per month for personal needs such as hair cuts, clothing, magazines or other non-medical costs not covered under the resident's nursing home services.
- In Wisconsin, MA eligible nursing home residents may keep \$45 per month of income to use for personal needs.
- Not all nursing home residents have \$45 per month for personal needs. Nursing home residents who have no income other than supplemental security income (SSI) receive only \$30 per month from the Social Security Administration.

### Rationale for Proposal

- Not all nursing home residents are affected by this proposal. The poorest residents, residents with only SSI income, are not affected.
- Under federal Medicaid law, only a \$30 personal needs allowance level is required. Wisconsin MA is not required to allow nursing home residents \$45 per month for personal needs.
- This proposal provides consistency between the Social Security Administration's policy on SSI payments to nursing home residents for personal needs and Wisconsin's MA policy on income used by nursing home residents for personal needs.
- The personal needs allowance is not used for essential medical services, and so its reduction reduces MA expenditures without jeopardizing needed medical services.
- A \$30 personal needs allowance should be sufficient to support most needed personal items. Further, in some cases, family members could be a resource to purchase other personal items of interest to the MA client.